TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE Transcriber's Office FLOOR DEBATE

April 5, 2004 LB 1065

started out at 20. And then we changed, 15--Senator Kremer is correcting me; I can't remember exactly. But there was...there were attempts made to lower the subsidy per gallon, but then there was also in that scenario, it was extended a year. So I'm not sure we accomplished anything there. We amended it down, as recall, to 100,000 on an annual basis, because we were convinced that there were some farmers out there wanting to produce ethanol at a small rate of production. We didn't want to exclude them, so we lowered it, I don't remember where it was, 300,000 or something, down to 100,000. Another mistake. I think there was one farmer-owned plant out there that's producing ethanol at a low rate of production. I say "low." To him it's a lot, and it is to me too. I think it's 200,000 gallons a year, or something like that. But yes, we did make some mistakes. What LB 1065 is doing is trying to get us back at least even with the board for the four plants that did as we intended them to do, that was, build the facilities out there. These are facilities, if you'd like to come out and tour any of these, whether it be at Axtell, be the closest one, I guess, come on out and we'll take a look at them. They're...you can walk in the door of the offices. They're there. In the case of three of them, they're producing ethanol. We can look at the finished product. And what this bill does is fund those four plants. The bigger issue, to me, is not whether or not...well, LB 1065, obviously, we need to pass it this session. We don't have the luxury of waiting, as you...if you'll refer back to the first handout I gave you before lunch, this program is operating at a deficit at the end of August of 2005. You say, well, let's do nothing. That's not an option. We're going to have to come to some agreement here to fund these plants that we have an obligation...contractual obligation to fund. What happens to these other plants that are trying to qualify here under the wire at the...you know, a minute before the clock strikes I don't know. I can't predict that. I'm concerned. I'm concerned about my local people. There are some good people out there being asked to invest their hard-earned money in these temporary stills. They can't be called temporary. They've got to be permanent. The entire facility has to be permanent and part of their existing plant when they...if they do expand. bothers me that my good constituents out there--and some of them are good friends I've known for years--are putting their